



# *The Insider*

[www.senate.mi.gov/switalski](http://www.senate.mi.gov/switalski)

## **Inside State Politics with State Senator Mickey Switalski Senate District 10**

**June 10, 2005**

Welcome to the electronic version of *The Insider*. I would like to take the opportunity to thank you for your support and giving me an opportunity to represent you in the Michigan Senate. It is my sincere hope that this bi-weekly e-newsletter will keep you informed of the happenings in Lansing while staying true to the traditional style of *The Insider*. If you would like to contact me, please feel free to e-mail me at [senmswitalski@senate.michigan.gov](mailto:senmswitalski@senate.michigan.gov) or call me at my Roseville or Lansing office. You can also meet me in person during my constituent hours, coming to a library near you. Call my office and make an appointment or just walk in. See schedule for details.

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### **Mickey's Letter Bag**

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Senator Switalski -

With the recent Supreme Court ruling on Michigan's laws regarding the direct shipment of wine - I urge you to work toward legislation on a direct shipment model that will benefit for the Michigan wineries and the Michigan consumers.

27 states allow for direct shipments and thus offer model legislation for collecting tax monies and controlling abuses by underage drinkers. States are collecting tax money, underage drinking has not increased (if you think it has - read the reports from the Federal Trade Commission) and in-state wineries have grown their businesses!

We need to allow Michigan wineries to ship not only to residents but to out of state buyers. Why should we restrict what is becoming a major business? I have frequently traveled to Michigan wineries (especially those in the Traverse City area). I can't get the majority of these wines at any of the local retailers. The Wholesalers control what is on the shelf and thus what I can enjoy. Fortunately, I can order these wines from the wineries. I have taken numerous out of state friends to these areas or they had enjoyed these wines at my home. However, as much as they like the wine and would like to get some.....they can't. This is LOST BUSINESS. As it is small business that helps drive our economy - why should drive business away from them? Isn't this lost tax money and lost jobs?

I'm not requesting that Michigan go into uncharted territory - just to go where 27 other states have gone. Check out the recent Texas legislation that even allows shipping to 'dry' counties.

Regards -  
Laura Grudzien  
Clinton Township

*Dear Laura:*

*Thank you for taking the time to write to me regarding the United States' Supreme Court decision on Michigan law's banning out-of-state, direct-to-consumer wine shipments. I greatly appreciate hearing your thoughts and concerns on this very important issue.*

*As you have indicated in your letter, the United States Supreme Court ruled on May 16 that Michigan's law prohibiting interstate, direct-to-consumer wine shipments is unconstitutional and violated the Interstate Commerce Clause. According to the majority opinion in Granholm v. Heald, "[S]tates have broad power to regulate liquor under section 2 of the Twenty First Amendment. This power, however, does not allow states to ban or severely limit, the direct shipment of out-of-state wine while simultaneously authorizing direct shipment by in-state producers. If a state chooses to allow direct shipment of wine, it must do so on even handed terms."*

*The court ruling declared Michigan's law discriminatory and said that any law must treat out-of-state and in-state shipments of wine as equals. The court ruling also affirmed Michigan's three tier system of distribution of alcohol. Some of the options under consideration by the Michigan legislature includes either to broaden the law to allow for out-of-state wine shipments to go directly to Michigan's consumers or to ban all direct shipments, both from in-state and out-of-state producers, of wine.*

*While sympathetic to calls for free trade and for the expansion of customer choice, at this time, I am inclined to support a ban on all wine shipments, both in-state and out-of-state. I believe that the three tier system is an effective way for the state to regulate the sale of alcohol. I don't believe that system can survive if direct sales are permitted. As I understand the court's ruling, states may adopt the three tier system but they have to do it consistently. However, I will keep your thoughts and concerns in mind should any legislation regarding this issue come up for a vote in the Senate. I will look at any bill closely and will weigh their issues carefully while keeping an open mind on any potential compromises on this matter. Thanks again for writing and if there is anything else that I could do for you, please do not hesitate to contact me.*

*Sincerely,  
Michael Switalski  
State Senator  
10<sup>th</sup> District*

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*Dear Senators:*

*I would like to express my personal concern of the proposed closing of the Newberry Correctional Facility and Camp Manistique. Unfortunately, I realize this small U.P. community has no clout in Lansing....but closing our prison would devastate our area and all of the smaller surrounding communities. I know Baldwin/Lake County may have more votes, but our communities would be hurt far worse off than anything that could happen there. We are talking about employment in three different counties, at least eight different communities and three school districts.*

*The closest other employment opportunities would be 70-90 miles away in any direction. Before the prison, Luce and Mackinaw Counties had the highest unemployment rates, high alcoholism, high teenage pregnancy and a low tax base for education programs for our children.*

*It is my understanding that Baldwin would be a perfect home for the federal system... or even county jail*

space which is VERY much needed. Their location gives them a viable alternative. We have no options.

There are three other prisons down state that even cost more than Newberry to run and closing one of them not a single employee would have to drive more than 30 miles to the next closest prison with an opening. Staff at Newberry is looking at 80-150 miles IF they can find an opening within this area at all.

I would not like to advocate ANY prison closing or anyone losing their jobs. But look at the big picture. Although Ojibway too looks good on paper, the transportation costs to be 12 hours away from central office and 4-6 hours from any other level II has got to put a huge extra unaccounted expense to the state budget. Newberry is convenient and central. I know given an opportunity to work with us and the Department of Corrections, alternatives can be further implemented to save money and state employees.

Again we realize it is politics, not what's best for the state or ALL of it's citizens. Seems many things are sacrificed from the northern regions. We too have homes, families and businesses that are cherished. Please don't take what we have and love. Look at the statistics and see what this closing would do to our area as it is finally starting to put itself back together.

The correctional system will be short bed space by August 2005 and closing the 1,144 beds here would over crowd an already over crowded and dangerous situation for staff. Thank you for your time and consideration.

Sincerely,  
Rebecca Freytag  
Newberry

*Dear Rebecca:*

*Thank you for sending me your concerns regarding Senate Bill 268, the appropriations bill for the Department of Corrections. I voted no on the bill because I have several concerns with the legislation as it currently stands, including the closing of Newberry Correctional Facility. I greatly appreciate your input on this matter and should you have any further concerns regarding the bill, please contact my office.*

Sincerely,  
Michael Switalski  
State Senator  
10<sup>th</sup> District

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## Budget Round-up

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During the past few weeks, the Michigan Legislature has been working on the upcoming fiscal year's budget that begins on October 1. The state faces a \$770 million shortfall in revenues from the current fiscal year's budget that must be addressed either by cutting programs or raising revenue to fund these programs. Difficult cuts lie ahead for the Michigan Legislature and painful decisions must be made.

Here are some of the budgetary highlights, some of which are controversial measures that will be voted on in the Michigan Senate next week:

**K-12 School Aid:** The Senate Appropriations Committee voted out a budget that would raise the minimum per pupil foundation grant by \$175 for K-12 public schools but would also cut funding for at-

risk pupils and hold-harmless school districts with 2,000 or more students in their school districts, also known as 20J. The committee also did not pass the Governor's proposal to give \$50 per pupil increase for High School students, however the budget maintained the Governors' \$175 per pupil increase,

At-risk funding goes to school districts with students that are determined to be at-risk of dropping out of school. To qualify for being at-risk, a student must meet a certain level of poverty. The majority of school districts have at-risk students and this important program was cut by 7.2 percent.

Meanwhile, 20J school districts (such as Warren Consolidated Schools and Center Line Public Schools) are districts that receive funding that holds them harmless from changes during the passage of Proposal A. This item was cut in half.

I offered amendments to restore these items, unfortunately my efforts were unsuccessful. My amendment would have restored funding for these programs by eliminating certain tax loopholes such as exempting vending machine operators from paying a sale tax on their products. The proposal was defeated, but in additional measures I was successful in getting \$8.3 million back for 20J school districts and \$1 million for at-risk pupils restored. I will continue my efforts to restore 20J and the at-risk funding next week when the budget comes for a vote before the entire Senate.

**Corrections:** The Governor had proposed closing the privately run Michigan Youth Correctional Facility in Lake County that houses violent 17 to 19 year-old male offenders and move them elsewhere. However, the Senate Appropriations Committee had other ideas and instead chose to close down the Newberry Correctional Facility and Camp Manistique in the Upper Peninsula in a budget passed this week.

The proposed closing was controversial because a recent state auditor report called the Lake County facility inefficient and one of the most expensive prisons in the state. I voted against the Corrections budget because I felt that closing a prison such as Newberry, which is three times as large as the one the Governor had originally proposed to close (the Michigan Youth Correctional Facility). These cuts would leave the state short of prisoner space over the next few years, a predicament that Macomb County residents can relate with as it deals with overcrowding issues at the Macomb County Jail.

**Higher Education:** The Senate Appropriations Committee also passed a budget that would cut Wayne State University and Northern Michigan University, five and ten percent respectively, while granting a 22 percent increase to Grand Valley State University. The other 12 public universities would receive a smaller increase in state funding.

Supporters of the funding change argue that Wayne State and Northern Michigan had benefited under previous funding arrangements. I voted against the proposal because I believe that extreme winners and losers in the appropriations process should be moderated over time as opposed to making such a drastic cut at one time.

**Medicaid spending:** The committee also passed a budget that would call for most Medicaid recipients to pay a co-pay on their health coverage. A recipient would have to pay a higher co-pay if they do not engage in healthy behavior such as having an annual health screening, not smoking and having their children immunized. The bill also contained significant cuts that would throw 8,000 senior citizens out of their homes by cutting funding for home assistance and moving them into nursing homes. A House budget that passed the Michigan House this week (House Bill 4831) contains even more significant cuts to Medicaid and will head to the Senate for consideration.

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## Mickey's TV Insider Show

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Check out my TV Insider Show coming to a television station near you. Watch me interview local guests about politics, life, issues and concerns to our district.

### **Sterling Heights**

Every Saturday and Sunday at 12:30 p.m.  
(Comcast Channel 5/WOW Channel 10)

### **Utica**

Every Wednesday at 9 a.m.  
(Comcast Channel 5/WOW Channel 10)

### **Clinton Township**

Last week of every month- Sat thru Thurs  
(Comcast Channel 5/WOW Channel 10)

### **Roseville**

Various Times  
(Comcast Channel 18)

\*Please note that Sterling Heights/Utica/Clinton Township will show the TV Insider Show on Comcast Channel 5 and Wide Open West Channel 10. Clinton Township will air the TV Insider Show at various times during the last week of every month. Roseville can see the TV Insider Show on Comcast Channel 18.

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## Coffee Hours

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\*Please note that since the District Office is in Roseville, I do not have set coffee hours in Roseville. However, I encourage you to visit the Roseville office. We even have a coffee pot. Everyone is welcome to attend the coffee hours and discuss their issues and concerns.

**June 27**  
**7-9 p.m.**

Location: Clinton-Macomb Public Library  
(35891 South Gratiot, north of 15 Mile)  
Clinton Township

**Aug. 1**  
**7-9 p.m.**

Location: Sterling Heights Public Library  
(40255 Dodge Park)  
Sterling Heights

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## Contact My Office

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**Website:** <http://www.senate.mi.gov/switalski>

**Email:** [senmswitalski@senate.michigan.gov](mailto:senmswitalski@senate.michigan.gov)

### **Lansing Office**

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### **District Office**

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